

MINUTES
State Allocation Board
April 28, 2004

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 112 of the State Capitol, Sacramento, California on April 28, 2004 at 4:00 p.m.

Members of the Board present were as follows:

- Jeannie Oropeza, Program Budget Manager, Education, Department of Finance, designated alternate for Donna Arduin, Director, Department of Finance
- Ron Joseph, Interim Director, Department of General Services
- Duwayne Brooks, Director, School Facilities Planning Division, California Department of Education designated representative for Jack O'Connell, Superintendent of Public Instruction
- David Sickler, Southern Regional Director, State Building & Construction Trades Council of California
- Senator Dede Alpert
- Senator Bob Margett
- Senator Tom Torlakson
- Assembly Member Jackie Goldberg
- Assembly Member John Dutra
- Assembly Member Lynn Daucher

Representatives of the State Allocation Board (SAB) were as follows:

Luisa M. Park, Executive Officer
Bruce B. Hancock, Assistant Executive Officer

Representative of the Department of General Services, Office of Public School Construction (OPSC), was as follows:

Luisa M. Park, Executive Officer

Representative of the Department of General Services, Office of Legal Services, was as follows:

Garry Ness, Acting Chief Counsel

With a quorum present, Ms. Oropeza, Chair, called the meeting to order at 4:09 p.m.

CLOSED SESSION

In accordance with Section 11126(e)(1) of the Government Code, the Board adjourned to a closed session at 4:40 p.m. for the purpose of conferring with its legal counsel regarding pending litigation involving the Palo Verde Unified School District.

Upon conclusion of the closed session, the Board reconvened into open session at 5:23 p.m.

Ms. Oropeza, Chair, welcomed Assembly Member Jackie Goldberg to the SAB, who was substituting for Assembly Member Firebaugh.

PRIOR MINUTES

A motion was made and carried to approve the Minutes for the March 24, 2004 SAB meeting.

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer advised the SAB members that:

- Ms. Karen McGagin accepted an appointment as Executive Director with the Board of Control.
- The State School Building Finance Committee, on April 21, 2004, approved the sale of bonds in the amount of \$10 billion. The bond sale will immediately enable the Board to fund (in the consent agenda) over \$351 million in modernization projects that are currently on the unfunded list.
- Proposition 55 allocated \$2.44 billion for the Critically Overcrowded Schools (COS) Program. The deadline for the submittal of applications for the COS Program is June 30, 2004. It is anticipated that these projects will be presented for funding at the October 2004 SAB meeting.
- Proposition 55 allocated \$300 million for the Charter School Facility Program. The deadline for the submittal of applications for the Charter School Facility Program is July 29, 2004. It is anticipated that these projects will be presented for funding at the December 2004 SAB meeting. The OPSC has been conducting workshops throughout the State to provide an overview of program changes and the application process.

CONSENT ITEMS

In considering this item, the Board approved the consent calendar as presented.

FINANCIAL REPORTS***Status of Funds***

The Board accepted the Status of Funds report as presented.

SPECIAL CONSENT ITEMS***Rim of the World Unified/San Bernardino 50/67868-00-01***

In considering this item, the Board approved the staff's recommendation.

Two Rock Union/Sonoma 58/70979-00-01

In considering this item, the Board approved the staff's recommendation.

SPECIALS/APPEALS***Palo Verde Unified/Riverside 51/67181-00-01***

Senator Ducheny and a representative from Senator Battin's office addressed the Board in support of the District's request. In considering this item, the Board approved the staff's recommendations and included the following language as a new Recommendation No. 6:

Approve the request for a facility hardship from the Palo Verde Unified School District due to the following unique conditions at the Appleby Elementary School site:

- Number, Size and Type of Pipelines:
Two 30", maximum 750 pounds per square inch (psi), steel, natural gas transmission lines. Two manual shutoffs that are over two miles away from the campus.
- Pipelines' Location:
One intersecting the campus running within 20 feet of two buildings where staff and children are located. The other near the school's property line.
- Depth of Pipelines:
Shallow, only 36" below the surface.
- Age of Pipelines:
Placed prior to 1963.
- Risk Analysis Findings:
The environmental assessment concluded that "...individual and societal risks posed by the pipelines at the site were found to be significant", and that "... If one of these scenarios occurred while people were onsite, this analysis estimates that there is a high probability that one or more fatalities could result."

The California Department of Conservation (DOC) report found that "the high-pressure natural-gas transmission line could ignite a significant fireball with many fatalities (either a jet-fire or a vapor cloud explosion) in the middle of the school buildings" and that "the present level of public risk is unacceptably high." The DOC report further states that "We are in agreement...about the danger to public school children and faculty from the high-pressure natural-gas transmission line. In a timely manner, either the pipeline or the public school should be relocated."

- Maximum Impact Distances:
Leak: 69' radiation impact from a jet fire explosion. 520' overpressure impact from vapor cloud explosion.

Rupture: 2500' radiation impact from jet fire explosion. 2700' overpressure impact from vapor cloud explosion.
- Non-Precedent Setting:
The rights, duties and liabilities of an easement owner versus the land owner are based on large part on the terms of the easement document. These documents vary. Analysis for relative responsibilities between those parties needs to be conducted on a case-by-case basis.

San Mateo County Office of Education/San Mateo 50/10413-00-00

This item was withdrawn by the District.

Fresno Unified School District Audit Findings

In considering this item, the Board approved the staff's recommendation.

REGULATIONS

Clean School Restroom Facilities

In considering this item, the Board approved the staff's recommendations.

INFORMATION/REFERENCE

Board Meeting Dates for the 2004 Calendar Year

OPSC Workload Summary List – New Construction and Modernization through April 21, 2004

Facility Hardship/Rehabilitation Approvals without Funding List as of March 24, 2004

OTHER ISSUES

The Board expressed concerns regarding two issues: 1) the current high bid climate and how it is impacting the quality of school construction as well as funding, and 2) the Critically Overcrowded Schools program final apportionment process. The Board asked staff to look at possible remedies whether it be administratively through the regulatory process and/or legislatively, and to report back at a future SAB meeting.

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 5:32 p.m.

LUISA M. PARK, Executive Officer